

SUMMARY OF JAPAN-AMERICAN NEGOTIATIONS DURING  
FOREIGN MINISTER ARITA'S TENURE OF OFFICE (FROM NOV.  
1938 UNTIL JULY 1939)

(September 2nd 1941)

- I. Prior to Minister ARITA assuming his duties as Foreign Minister in November 1938 Ambassador GREW remarked to Premier KONOYE (concurrently holding the post of Foreign Minister) on October 3rd that he wished to discuss orally regarding problems that the U. S. President felt as possessing direct interests, and after stating that, notwithstanding that the respecting of American rights and interests in China as well as the Open-Door Policy as well as Principle of Equal Opportunity had been definitely guaranteed by the former Minister (T.N. Foreign Minister), he regretted to have to declare that the infringing of American rights and interests had not ceased and that the Open Door Policy was still being ignored, and after citing some instances such as Exchange Control and Trade Restrictions etc. in North China, he demanded that prompt and effective measures be taken in order to carry out the guarantee that had been duly made. (Annexed Document No. 1). To this Minister KONOYE replied that Japan's China Policy as well as foreign policy remained unchanged, and that Japan's assertion with regard to the respecting of foreign rights and interests relative to China as well as the maintenance of the Open Door Policy and the Principle of Equal Opportunity remained unchanged, adding that, although in point of fact, there had been cases at times which were not settled satisfactorily due to military strategic necessity or other reasons, he was striving to settle matters as satisfactorily as possible upon the conditions returning to their normal state. He also stated that, with regard to commercial and trade problems, he wished to, after studying same, comply with the Ambassador's request at the earliest possible opportunity.

Ambassador Grew subsequently sent a note embodying the same contents as the foregoing paragraph. (Annexed Document No. 2).

- II. The manner of reply to the aforesaid American Ambassador's note was studied ever since the appointment of ARITA as Foreign Minister and although it had been decided to put off the said reply until conditions had become settled for awhile as it happened to be just before the fall of Canton with the capitulation of Hankow being close at hand, so that the state of affairs was changing rapidly, in view of this matter representing problems which, after all, possess an important bearing to the Nine-Power Pact, after studying the draft of the reply based on the policy of:  
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(a) Avoiding all phraseology whatsoever that would reaffirm the principles of the Open Door and Equal Opportunity based on the Nine-Power Pact,

(b) Making them understand that, although the existing rights and interests of Third Powers will be respected, this is not being done as a corollary of the Nine-Power Pact.

(c) Making them understand that the standard laws governing the future economic activities by Third Powers in New China shall be established in conformity with the new conditions, a reply was sent on November 18th to the following effect, in addition to giving explanations to each of the instances cited in the American note and clarifying the point that their claims regarding Infringement of Rights and Interests were unjustified, viz.:

- (1) It is hoped that, inasmuch as military activities are being conducted on a unprecedented scale in East Asia, the United States will note the fact that there may be times when difficulties may occur in executing our intention regarding the respecting of American rights and interests,
- (2) The Empire believes that it will not solve urgent problems of the moment or aid towards the establishing of permanent peace in East Asia by attempting to gauge the present and future state of affairs by ideas or principles in their original form that were applied to the pre-incident state of affairs, especially at this time when the Empire is dashing ahead with the Establishment of a New Order in East Asia and when new conditions are setting in in East Asia.
- (3) Should any Third Power or Powers participate in the gigantic task of Reconstruction of East Asia in the fields of enterprises and trade by appreciating the afore-mentioned points, the Empire shall have no objection whatsoever towards same. (Annexed Document No.3).

III. When Minister ARITA invited Councillor Dooman of the U. S. Embassy  
p.4 at Tokyo on November 19th and asked about the impressions regarding the recent Japanese Reply, Dooman replied that Ambassador Grew's impression regarding the said Reply seemed to be that "It represented a wholesale denial of the American Demands," whereupon Minister ARITA explained that it would be excusable if the Open Door policy and the principle of Equal Opportunity were applied to the entire world from the start, but it is extremely illogical to apply same today to China only. ARITA then went on to say that his predecessor gave his guarantee regarding the

p.5 respecting of the said principles by being of the belief that the actual prevailing conditions could be made to harmonize with the Open Door Policy and the Principle of Equal Opportunity, but that, in his own opinion, it was no longer possible to expect the said harmony, at the same time explaining the great pains taken by Japan in regard to the said reply, to which Dooman stated that it was extremely regrettable that there were over 300 cases recently remaining unsettled despite their having no connections with military actions and being extremely trivial matters, and that the recent official American note was the result of the American commercial concerns in various parts of China exerting severe pressure on their Home Government, at the same time pointing out that the United States did not make any reference to the Nine-Power Pact.

IV. On inviting Ambassador Grew to Tokyo subsequently on the 21st of the same month and conferring with him on the same principle as per the foregoing paragraph, Grew declared as follows after making the introductory remark that what he would be saying today would not be in the nature of any reply whatsoever to the Japanese Note of the 18th:-

(1) The United States Government has never attempted to exploit China nor extend American influences in China. The United States Government's interpretation of "Open Door" is totally different from the foregoing. In other words, the Principle of Equal Opportunity in regard to Commerce has always been the actual basic principle of the United States.

(2) All of the treaties concerning the Far East embodying the said principle, and to which the United States is a signatory, were concluded for the purpose of preventing the occurrence or likely occurrence of international friction in the Far East, and the United States Government is intent upon checking the present day trend of international anarchy as well as contributing towards the adjustment of international relations as well as restoration of international order, and it is the advocacy of the United States that this object can be attained by peaceful negotiations and agreements as well as by faithful fulfillment of international agreements.

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(3) The Commercial Policy of the United States lies in aiming at international concord by striving for the expansion of foreign trade by means of removing obstacles lying in the way of the international distribution of commodities. I believe that the frequent instances of other countries trying to gain most-favored footings do not contribute towards establishing prosperity in the United States and the world.

(4) On November 3rd Premier KONOYE stated that "Japan will cooperate with any Third Power that appreciates Japan's real intentions and adopts a policy that conforms to the new state of affairs," but what is the concrete meaning of this statement? Surely he does not mean the kind of co-operation whereby, as is being generally rumored, Americans can not engage in trade in China without going through the hands of Japanese merchants.

(5) Minister ARITA expressed his wish that the United States should allow Japan sufficient time to see what the results would be, but there is a limit to the patience of the American people. Considering it impossible to pacify public opinion, the Government has, to begin with, demanded the liberation of the Lower Yangtze region as well as the suspension of bombing of and other interference with churches and their properties situated at considerably far-off distances from the scene of military operations. (Annexed Document No. 4).

p.7 To the foregoing Minister ARITA explained that, in regard to Item (4) of the foregoing paragraph, it is difficult, as was made plain in the last part of our Reply dated the 18th, it was impossible for Japan to recognize the unconditional application of Equal Opportunity and Open Door at the present day when the state of affairs in China has become changed, but that Japan possesses the desire to cooperate with Third Powers in the event of the foregoing becoming understood, at the same time remarking in connection with the rumours as specified at the end of the said paragraph that such a thing was totally impossible and could also not be put into practice, whereupon Grew stated that he felt relieved on hearing the foregoing.

Minister ARITA further explained that the assertion that Japan's Open Door Policy and Principle of Equal Opportunity might clash with the respecting of rights and interests of Third Powers implied that measures necessary for fostering the closer relationship of Japan and China as well as for ensuring Japan and China's rights of existence might at times necessitate eliminating the application of the aforesaid Principles to some extent, so that there was still considerable room left for economic activities of other countries.

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As Grew then asked as to what was meant by the New Order, Minister ARITA replied that same implies the establishing of co-operation between Japan, Manchoukuo, and China in regard to Politics, Economy, and Culture, meaning, as for example, that Political Co-operation is indispensable for exterminating the Anti-Japanese Policy as well as Pro-Communist Policy that have so far been the causes of unrest in the Orient, whereas, furthermore, in regard to Economic Cooperation, it may become necessary, as mentioned above, to

eliminate, to some extent, the application of the Open Door and Equal Opportunity Principles.

Furthermore, on Grew remarking that he considered it necessary for Japan to make some sort of gesture in order to pacify the excited feelings of the general public in the United States, the Minister replied that, although he recognized the need of same on principle, he was not in a position to say any more as the question of Liberation of the Yangtze River had already been replied to.

- V. On December 8th Minister ARITA invited Grew, and after having explained as follows regarding the unanswered points of the foregoing Clause IV, handed to him a written note embodying the said points (Annexed Document No. 5.)

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(1) Referring to the views of the United States as per the former part of Item 2 of the foregoing Clause IV, the application, in their original form, of the various treaties which were concluded at the time for the purpose of preventing international disputes in the Orient would, with the general change of conditions in the world, as well as the new state of affairs that is developing in the Far East, rather hamper the bringing about of Peace and Universal Prosperity.

(2) Equal Opportunity in regard to Commerce is what the Empire has been hitherto demanding of the world, and although we agree, on principle, to the opinion of the United States that Equal Opportunity in regard to Commerce will bring about World Peace, but, as things are at present, good quality and low-priced Japanese goods are meeting with discriminatory treatment all over the world. As regards the gaining of a most-favoured footing by one country in other countries as per Item (3) of the foregoing Clause IV, the Most-Favoured relations between the British Empire with her colonies as well as co-mutually among her colonies were pointed out, at the same time asserting that the contention that in the case of the British Empire it is unavoidable as it applies to a single political unit but that the establishing of economic relations between Japan, Manchoukuo, and China similar to those within the British Empire can not be recognized in view of the said three countries not constituting a single political unit, can not be tolerated.

(3) Moreover, it was reiterated that it was Japan's belief that it would by no means contribute towards stabilizing the world to let an economic unit like that of Japan exist on one hand against such large economic units of the British Empire,

the United States and the Soviet Union on the other, and that, as the relations of Japan, Manchoukuo and China in regard to mutual economic cooperation emanated from the afore-mentioned idea, same would not conflict with the prosperity of the world. This collaboration has for its object:-

(a) In regard to the field of enterprise, the guaranteeing of supply of products that are indispensable from the standpoint of national existence. To attain this object there may be enterprises that require the granting of special monopolistic rights in order to foster their development. In regard to such enterprises, Third Powers will be welcomed, within the sphere of the plans of Japan, Manchoukuo, and China, to participate in regard to capital, technics or resources, but the establishment of competitive enterprises shall not be recognized.

(b) Furthermore, in regard to the field of foreign trade, it shall be the principle not to make any special discriminatory treatment by enforcing Customs tariffs or other export and import counter-measures.

To this, Grew remarked that he believed it to be the stand of the United States Government that it could not recognize any one-sided alterations to any treaties or other agreements until the necessary procedure regarding alteration of same be taken conjointly by the countries concerned, after which he stated that it would

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be desirable to prove by actual facts that Japan will not show discriminatory treatment.

VI. On December 26th Grew was invited and told that it was regrettable that, whereas it had already been made clear on repeated occasions that Japan entertained no intention of closing the Chinese Market, the editorial tone of some of the American newspapers and magazines went to show that Japan's real intention was not being understood, whereupon Grew stated that, although the said newspapers and magazines were not necessarily expressing the views of the Government, it was nevertheless true that the American public in general were feeling greatly uneasy regarding Japan's actions in China, also adding that the use of restrictive phraseology, on the occasion of the previous interview such as having stated that it would be necessary to give protection to "certain" industries and "special" enterprises is liable to create uneasiness regarding Actual Treatment. To this the Minister replied that such restrictions should not be interpreted in a broad sense, whereupon Grew again expressed his desire to have the foregoing demonstrated by actual facts.

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On that occasion Ambassador Grew remarked that it was regrettable

to have issued a statement like that of November 3rd regarding the Open Door and Equal Opportunity in China notwithstanding that same had been guaranteed by Foreign Minister GHU as well as Minister KONOYE, whereupon the Minister repeated the same explanation that he had made to Councillor Doeman on November 19th.

VII. On December 31st Ambassador Grew visited the Vice-Minister (adding that, although he had visited the Vice-Minister due to Minister ARITA being away on a trip, he wished it to be understood that same would have the same results as having visited the Minister) and handed him an official note expressing the views of the United States in regard to Japan's Reply to the United States under date of November 18th. The Vice-Minister asked for an explanation of the main points of the said note, to which Grew explained that same expresses the views of the United States Government as follows:-

(1) The so-called New State of Affairs in the Far East can not be created only by Japan's ex-parte Declaration, but should be recognized only by means of a Conference.

(2) It is true that the Powers including the United States possess special rights in China, and although the United States has always been advocating that such discriminatory special rights should be abolished and that China should be granted an equal (T.N. original says UNEQUAL) position, it is believed that such changes in the state of affairs should also be effected at a Conference of the Powers, and also added that, as the United States possesses special interest in the state of affairs in the Far East, the United States would announce same at the first opportunity. (Annexed Document No. 6).

VIII. Ever since then, the conversations between the Minister and Ambassador Grew became suspended, but on the occasion of Ambassador Grew's temporary return to the United States (T.N. the original specifies KIOHO implying return to Japan, probably an error) in May 1939, Minister ARITA handed the said Ambassador a note as per Annexed Document, and Premier HIRANUMA also requested him to convey a message addressed to Secretary of State Hull. (Annexed Documents Nos. 7 and 8.)

C E R T I F I C A T E

I.P.S. Doc. No. 1573

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Summary of Japanese-American Negotiations During Foreign Minister ARITA's Term of Office (from Nov. 1938 until July 1939).

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Signed at TOKYO on this  
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(SEAL)

Ass. Chief, Archives Section  
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Witness: (s) M. Emura

Statement of Official Procurement

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